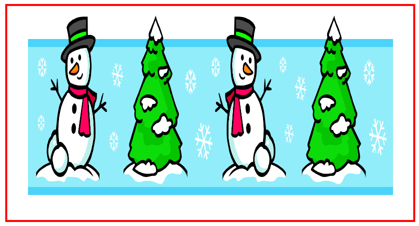
LABOR MARKET REVIEW

Economic Growth Region 4 | Statistical Data for November 2006 | January 2007

NOVEMBER UNEMPLOYMENT RATES
(preliminary)
Release Date: 12/29/06

AREA	11/06	10/06	11/05
U.S.	**4.3%**	**4.1%**	**4.8%**
INDIANA	**4.5%**	**4.6%**	**5.1%**
EGR 4*	**4.3%**	**4.4%**	**5.0%**
Kokomo MSA**	**5.3%**	**5.6%**	**6.0%**
Lafayette MSA***	**3.6%**	**3.7%**	**4.3%**
Benton	4.8%	4.3%	4.5%
Carroll	3.8%	3.9%	4.4%
Cass	4.8%	4.9%	5.3%
Clinton	4.4%	4.3%	5.3%
Fountain	4.4%	4.6%	5.1%
Howard	5.5%	5.7%	6.3%
Miami	5.6%	5.6%	5.8%
Montgomery	3.6%	3.7%	4.4%
Tippecanoe	3.5%	3.6%	4.3%
Tipton	4.6%	4.9%	4.6%
Warren	3.3%	3.4%	3.9%
White	4.5%	4.6%	5.5%
Attica	4.0%	4.3%	4.4%
Crawfordsville	5.0%	5.2%	6.1%
Delphi	5.5%	5.1%	5.1%
Fowler	5.3%	4.3%	4.3%
Frankfort	5.6%	5.2%	7.5%
Kokomo	6.5%	6.5%	7.3%
Lafayette	4.0%	4.0%	4.9%
Logansport	5.6%	5.6%	6.5%
Monticello	5.4%	5.4%	7.9%
Peru	7.0%	6.8%	7.3%
Tipton	4.7%	5.1%	4.8%
Williamsport	4.7%	4.4%	5.5%

*EGR 4 includes Benton, Carroll, Cass, Clinton, Fountain, Howard, Miami, Montgomery, Tippecanoe, Tipton, Warren and White counties
**Kokomo MSA includes Howard and Tipton counties
*** Lafayette MSA includes Benton, Carroll and Tippecanoe counties
*** All unemployment rates used are non-seasonally adjusted
Source: Local Area Unemployment Statistics – Indiana Workforce Development



INDIANA WORKFORCE DEVELOPMENT

REGIONAL AND STATE UNEMPLOYMENT

Regional and state unemployment rates were generally little changed in November. Overall, 28 states and the District of Columbia recorded over-the-month unemployment rate increases, 10 states registered decreases, and 12 states had no change, the Bureau of Labor Statistics of the U.S. Department of Labor reported.

State Unemployment (Seasonally Adjusted)

Mississippi reported the highest unemployment rate in November, 7.5 percent, followed by Michigan, 6.9 percent, and South Carolina, 6.6 percent. Hawaii and Utah again recorded the lowest unemployment rates, 2.3 and 2.6 percent, respectively.

Regional Unemployment (Seasonally Adjusted)

In November, the Midwest again registered the highest unemployment rate among the four regions, 4.8 percent. The South and West recorded the lowest rates, 4.4 percent each, followed closely by the Northeast, at 4.5 percent. The Northeast was the only region to record a statistically significant unemployment rate change from October (+0.3 percentage point). In contrast, all four regions posted significantly lower unemployment rates than a year earlier: the South (-0.6 percentage point), Midwest and West (-0.5 point each), and Northeast (-0.3 point).

SURROUNDING STATES NOVEMBER 2006 UNEMPLOYMENT RATES
(Preliminary Not Seasonably Adjusted)

Illinois – 3.7% Indiana – 4.5% Kentucky – 5.2% Michigan – 6.5% Ohio – 5.1%

UNEMPLOYMENT RATE RANKING by COUNTY
(High to Low)

Nov 2006 RANK	COUNTY	Nov 2006 RATE
11	**Miami**	**5.6%**
16	**Howard**	**5.5%**
39	**Benton**	**4.8%**
40	**Cass**	**4.8%**
48	**Tipton**	**4.6%**
51	**White**	**4.5%**
52	**Clinton**	**4.4%**
53	**Fountain**	**4.4%**
76	**Carroll**	**3.8%**
81	**Montgomery**	**3.6%**
84	**Tippecanoe**	**3.5%**
87	**Warren**	**3.3 %**

LAFAYETTE MSA

(Benton, Carroll,and Tippecanoe Counties)

WAGE AND SALARIED EMPLOYMENT

	Nov 2006	Oct 2006	Nov 2005	CHANGE FROM Oct 2006 TO Nov 2006		Nov 2005 TO Nov 2006	
Total Nonfarm	95,200	94,900	95,500	+300	+0.3%	-300	-0.3%
Total Private	66,600	66,500	66,800	+100	+0.2%	-200	-0.3%
Goods Producing	20,900	21,000	21,100	-100	-0.5%	-200	-0.9%
Service-Providing	74,300	73,900	74,400	+400	+0.5%	-100	-0.1%
Private Srvc Provider	45,700	45,500	45,700	+200	+0.4%	+0	+0.0%
Nat. Res & Construction	3,700	3,800	3,800	-100	-2.6%	-100	-2.6%
Manufacturing	17,200	17,200	17,300	+0	+0.0%	-100	-0.6%
Durable Goods	12,900	13,000	13,100	-100	-0.8%	-200	-1.5%
Non-Durable Goods	4,300	4,200	4,200	+100	+2.4%	+100	+2.4%
Trade, Transportation,	14,600	14,200	14,600	+400	+2.8%	+0	+0.0%
Wholesale Trade	2,000	2,000	1,900	+0	+0.0%	+100	+5.3%
Retail Trade	10,500	10,100	10,500	+400	+4.0%	+0	+0.0%
Trans,Warehouse, Utility	2,100	2,100	2,200	+0	+0.0%	-100	-4.5%
Information	1,000	1,000	1,000	+0	+0.0%	+0	+0.0%
Financial Activities	3,600	3,600	3,800	+0	+0.0%	-200	-5.3%
Professional and Business	5,300	5,400	5,100	-100	-1.9%	+200	+3.9%
Educational and Health	9,500	9,500	9,500	+0	+0.0%	+0	+0.0%
Leisure and Hospitality	8,800	8,800	8,800	+0	+0.0%	+0	+0.0%
Accommodation and Food	8,100	8,100	8,100	+0	+0.0%	+0	+0.0%
Other Services	2,900	3,000	2,900	-100	-3.3%	+0	+0.0%
Government	28,600	28,400	28,700	+200	+0.7%	-100	-0.3%
Federal Government	700	700	700	+0	+0.0%	+0	+0.0%
State Government	21,000	20,800	21,200	+200	+1.0%	-200	-0.9%
Local Government	6,900	6,900	6,800	+0	+0.0%	+100	+1.5%
Local Govt Education	4,400	4,400	4,200	+0	+0.0%	+200	+4.8%

Source: Indiana Workforce Development, Research & Analysis, Current Employment Statistics

LOCAL EMPLOYMENT DYNAMICS

Local Employment Dynamics (LED), a partnership between the Indiana Department of Workforce Development and the U.S. Census Bureau, provides innovative demographic employment information (Quarterly Workforce Indicators) for local decision makers, economic development agencies, education and training institutions, and transportation agencies. The Quarterly Workforce Indicators (QWI) measure the performance of the local economy. Turnover, separations, new hires, and average new hire earnings by county, metropolitan area, and Workforce Investment area are among the data items on the web site. The web address is: http://lehd.dsd.census.gov/led/.

Economic Growth Region 4 Top Industries

Top 10 industries ranked on the greatest growth in hiring from 3Q2004 to 3Q2005.

Industry Sub-Sector	Growth
Social Assistance	111
General Merchandise Stores	101
Hospitals	88
Truck Transportation	76
Insurance Carriers and Related Activities	75
Nursing and Residential Care Facilities	67
Motor Vehicle and Parts Dealers	57
Machinery Manufacturing	51
Miscellaneous Manufacturing	36
Furniture and Related Product Manufacturing	35

Source: U.S. Bureau of Census, Local Employer-Household Dynamics (LEHD), Local Employment Dynamics (LED), Industry Focus, 3rd quarter 2005.

TOTAL UNEMPLOYMENT CLAIMS BY LOCAL OFFICE

Source: Indiana Workforce Development, Research & Analysis, Workforce Transition Unit

Local Office	November 2006	October 2006	Previous Month % Change	November 2005	Previous Year % Change
Kokomo	7,155	13,552	-47.2%	8,465	-15.5%
Lafayette	9,261	9,204	0.6%	9,929	-6.7%
INDIANA	241,826	254,625	-5.0%	224,044	7.9%

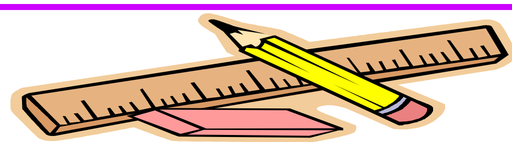
KOKOMO MSA

(Howard and Tipton Counties)

WAGE AND SALARIED EMPLOYMENT

	Nov 2006	Oct 2006	Nov 2005	CHANGE FROM Oct 2006 TO Nov 2006		CHANGE FROM Nov 2005 TO Nov 2006	
Total Nonfarm	47,800	47,700	47,900	+100	+0.2%	-100	-0.2%
Total Private	40,100	40,000	40,200	+100	+0.3%	-100	-0.2%
Goods Producing	17,000	17,100	16,900	-100	-0.6%	+100	+0.6%
Service-Providing	30,800	30,600	31,000	+200	+0.7%	-200	-0.6%
Private Srvc Provider	23,100	22,900	23,300	+200	+0.9%	-200	-0.9%
Nat. Res & Construction	1,400	1,400	1,400	+0	+0.0%	+0	+0.0%
Manufacturing	15,600	15,700	15,500	-100	-0.6%	+100	+0.6%
Durable Goods	14,700	14,800	14,700	-100	-0.7%	+0	+0.0%
Transportation Equipment	12,500	12,600	12,300	-100	-0.8%	+200	+1.6%
Trade, Transportation,	8,000	7,800	7,900	+200	+2.6%	+100	+1.3%
Wholesale Trade	1,100	1,100	1,000	+0	+0.0%	+100	+10.0%
Retail Trade	6,100	5,900	6,100	+200	+3.4%	+0	+0.0%
Trans,Warehouse, Utility	800	800	800	+0	+0.0%	+0	+0.0%
Information	300	300	300	+0	+0.0%	+0	+0.0%
Financial Activities	1,500	1,500	1,500	+0	+0.0%	+0	+0.0%
Professional and Business	3,200	3,200	3,100	+0	+0.0%	+100	+3.2%
Educational and Health	3,600	3,600	3,700	+0	+0.0%	-100	-2.7%
Leisure and Hospitality	4,100	4,100	4,500	+0	+0.0%	-400	-8.9%
Other Services	2,400	2,400	2,300	+0	+0.0%	+100	+4.3%
Government	7,700	7,700	7,700	+0	+0.0%	+0	+0.0%
Local Government	6,600	6,600	6,500	+0	+0.0%	+100	+1.5%
Local Govt Education	2,900	2,900	2,900	+0	+0.0%	+0	+0.0%

Source: Indiana Workforce Development, Research & Analysis, Current Employment Statistics



Bureau of Labor Statistics Reports....

"Ask Annie" in Fortune magazine, quotes the Bureau of Labor Statistics in a recent reply to a reader who asks "which kinds of college degrees will be the most likely to lead to a good job in 3 or 4 years.?" He or she writes that he or she likes "chemistry or math", but also enjoys learning languages. The reply, at http://money.cnn.com/2006/09/07/news/economy/hottest.majors.fortune/index.htm?postvers, is: To graduate with the most marketable sheepskin, you'd do well to apply your math skills and maybe your chemistry acumen as well, and get a degree in engineering. The Bureau of Labor Statistics expects that the economy will generate 200,000 more engineering jobs by 2014 and many employers are already noticing a shortage of skilled workers in a variety of engineering fields -- civil, mechanical, industrial, you name it. Annual pay for engineers in the U.S. now averages $72,965, well over twice the U.S. average of just under $30,000 for workers in all computers., populists argue the market is broken. The rules are rigged. The reigning ideology in Washington must be upended. Unions must be revived. Globalization needs to be reorganized," writes David Brooks in The New York Times, September 7, page A31. "The problem with this narrative is that it doesn't really fit the facts. First, workers over all are not getting a smaller slice of the pie. Wages and benefits have made up roughly the same share of GDP for 50 years. Second, offshore outsourcing is not decimating employment. According to the Bureau of Labor Statistics, outsourcing is responsible for 1.9 percent of layoffs, and the efficiencies is produces create more jobs at better wages than the ones destroyed." He continues: jobs are not more insecure. Workers are just as likely to hold a job for 20 years as they were in 1969…workers are not stuck in dead-end jobs. Social mobility is roughly where it was a generation ago…declining unionization has not been the driving force behind inequality. David Card, of the University of California, Berkeley, has estimated that de-unionization explains between 10 and 20 percent of the rise in inequality, and that effect was probably strongest decades ago. These days the working class is not falling behind the middle or upper-middle class. Instead, the big rise in inequality is within the office parks, among people who were never unionized. Middle managers are falling behind top executives. It's true that middle-class wages are lagging, but as Stephen Rose points out in "The American Prospect," over the past 25 years the share of working-age adults in households making less than $75,000 has dropped by 14 percent -- after adjusting for inflation. The median household income of people in their prime working years (25-59) is $63,000. Workers continue to see their wages rise as they age. The typical male worker with some college but no degree has seen his income rise from $34,000 in 2000 to about $40,000 today. Lawrence Katz, formerly of the Clinton Administration, now of Harvard, puts it this way: Across many nations, the market increasingly rewards people with high social and customer-service skills. Katz describes a polarized economy. Wages are rising in the bottom quartile for workers who provide personal services. The middle is lagging. The real rewards are going to the top 10 percent, especially to those relative few who have the skills to transform organizations from the top. In other words, the market isn't broken: the meritocracy is working almost too well. It's rewarding people based on individual talents.

CONSUMER PRICE INDEX
(CPI-U)
Unadjusted percent change to Nov 2006 from:

	Nov 05	Oct 06
U.S. City Average		
All Items	**2.0%**	**-.1%**
Food & Beverages	2.3%	-.2%
Housing	3.0%	.0%
Apparel	.2%	-1.3%
Transportation	-1.0%	-.5%
Medical Care	3.7%	.2%
Recreation	1.3%	.0%
Education & Communication	2.4%	-.3%
Other Goods & Services	2.6%	.0%
Midwest Region (All Items)*	1.3%	.3%

Source: U.S. Bureau of Labor Statistics
*Midwest Region = Midwest Urban Average. Expenditure categories are not available on a regional basis.

WAGE DEMAND INFORMATION
As of 1/21/2007

The Department of Workforce Development Customer Self Service System (CS3) performs matches between job applicants looking for work and employers looking for new employees. *Wage Demand* provides the number of applicants registered in CS3, as well as the annual and median wages that the applicants define as their wage expectations.

County/Region	Average Annual Wage Demand	Median Annual Wage Demand	Number Of Applicants
Benton	$22,708	$20,800	220
Carroll	$23,672	$20,800	571
Cass	$22,302	$20,800	1,320
Clinton	$26,772	$20,800	953
Fountain	$24,274	$22,880	296
Howard	$23,986	$20,800	3,996
Miami	$25,529	$20,800	1,743
Montgomery	$22,767	$20,800	779
Tippecanoe	$22,360	$20,800	3,747
Tipton	$25,084	$21,840	496
Warren	$23,957	$20,800	116
White	$26,731	$20,800	668
EGR 4	**$23,887**	**$20,800**	**14,905**
Indiana	**$27,384**	**$20,800**	**170,481**

REGION 4 APPLICANT POOL
As of 1/21/2007

Job Titles	Number of Applicants
1st Line Supv : Production	1,228
Administrative Assistants	1,012
All Other Hand Workers	1,992
All Other Machine Operators	2,764
All Other Machine Setters & Set-Up Oper	1,261
All Other Metal & Plastic Mach Operators	1,176
All Other Precision Assemblers	1,476
Assemblers (Factory Work)	6,387
Cashiers, General	1,388
Electrical & Electronic Equipment Assembly	1,037
File Clerks	1,009
Forklift/Industrial Truck Operators	2,643
General Office Clerks	1,536
Hand Packers & Packagers	1,728
Machine Assemblers	1,257
Production Helpers	1,806
Production Inspectors, Testers, Graders	1,327
Production Laborers	4,799
Receptionists/Information Clerks	1,227
Shipping & Receiving Clerks	1,101

The Department of Workforce Development's Customer Self Service System (CS3) performs matches between job applicants looking for work and employers looking for applicants to hire. *Applicant Pool* provides a numerical listing of the top jobs being sought by job applicants.

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Serving ...
Economic Growth Region 4:
Benton, Carroll, Cass, Clinton, Fountain, Howard, Miami, Montgomery,Tippecanoe, Tipton, Warren and White counties

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WorkOne Kokomo
(765) 459-0571

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